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South Carolina Department of Commerce

1999 Annual Accountability Report

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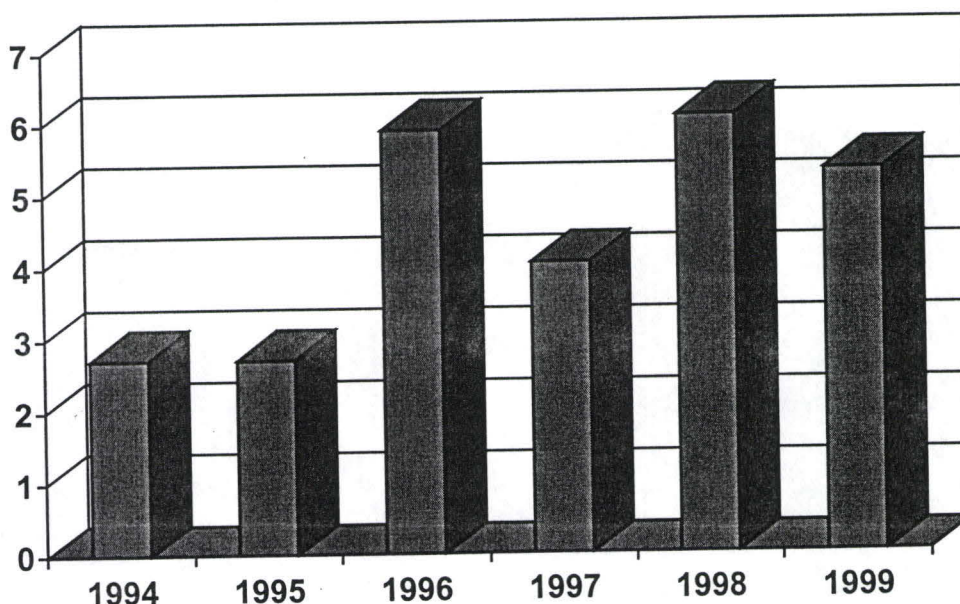
Budget & Control Board
OFFICE OF THE BUDGET

I. Transmittal Message:

The South Carolina Department of Commerce is the State's marketing arm and sales force. Every aspect of the Department's Operations are tuned to accomplish this one task. Major strategic goals of the Department have resulted in specific work plans with targets and accomplishments as summarized in our Annual Report to the Legislature. That report is based on the calendar year. The highlights of that report are repeated herein on a Fiscal Year Basis.

II. Executive Summary:

As a marketing and sales group, we measure our results based on sales. South Carolina in Calendar 1998 achieved a fourth consecutive year of \$5+ billion in capital investment. Data for Fiscal Year 1999 maintains this continued positive trend as capital investment for F/Y 1999 reached \$5,329,758,387.



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STATE DOCUMENTS

South Carolina's economic growth last year was fueled by new investments by such Companies TriVergent Communications, Western Star Trucking and LAM Distributions, as well as expansions by companies such as Michelin, Siemens-Navistar and many others. In

all, more than 1,300 firms invested in South Carolina during fiscal 1998-99, the most in state history.

III. Mission Statement:

Our Mission Statement found in our strategic plan, *Approaching 2,000: An Economic Development Vision for South Carolina* is:

“To increase the wealth of South Carolina’s citizens – particularly as measured by per capita income and the number and geographic distribution of well-paid jobs – in a manner that supports and enhances a high quality of life.”

Approaching 2000 is based on a very simple philosophy: **Business, not government, creates wealth.** Government’s role in economic development should be limited to creating an environment where business can create wealth, where businesses can maximize competitiveness and profitability and in turn create opportunity for new employment growth.

That means creating tax policies that reward companies for growing; building an infrastructure system that help businesses operate without interruption; creating worker training programs to make sure businesses have well-trained employees; and reducing red tape and government regulations that make it difficult for companies to focus on their operations.

In the years since the plan was introduced, South Carolina has proved that **Approaching 2000’s** vision of statewide economic growth and prosperity is achievable and that the plan’s focus on cooperation and coordination at all levels is key to earning optimum growth and prosperity.

Programs:

Economic Development – while the Department of Commerce operates several “programs”, all of them support one overall mission and all emphasis is on one program and that is economic development. Some of our workload indicators represent a single department’s efforts, but they are generally must be taken in the context of the overall structural design of the economic development program.

Program Goals:

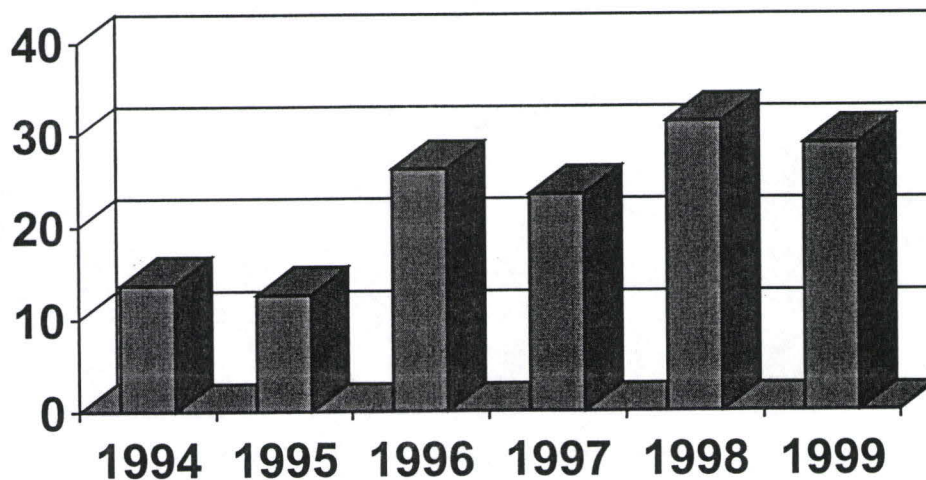
Promote economic growth and prosperity in South Carolina as measured by increasing employment and increasing per capita income.

Performance Measures:

Workload Indicators: (FY99)

- Conducted 640 liaison visits to existing state industries
- Conducted 1,404 community development meetings
- Provided advice to Governor and Legislature on programs and legislation to improve business climate and competitiveness
- Provided training to 320 local officials through the Economic Developers School.
- Conducted Governor's Rural Summit with 322 community leaders participating-
- Published annual reports on economic activity including announced capital investments and employment
- Compiled and published S.C. Industrial Directory
- Conducted strategic research for targeted marketing program
- Participated in 13 export trade shows
- Hosted 2 foreign buying missions
- Rendered export assistance to 1000 SC companies
- Developed and disseminated 2100 export trade leads
- Conducted 6 domestic marketing trips
- Conducted 4 international marketing missions
- Initiated 300 new projects
- Provided 560 written proposals to prospects
- Conducted 600 community visits with prospects

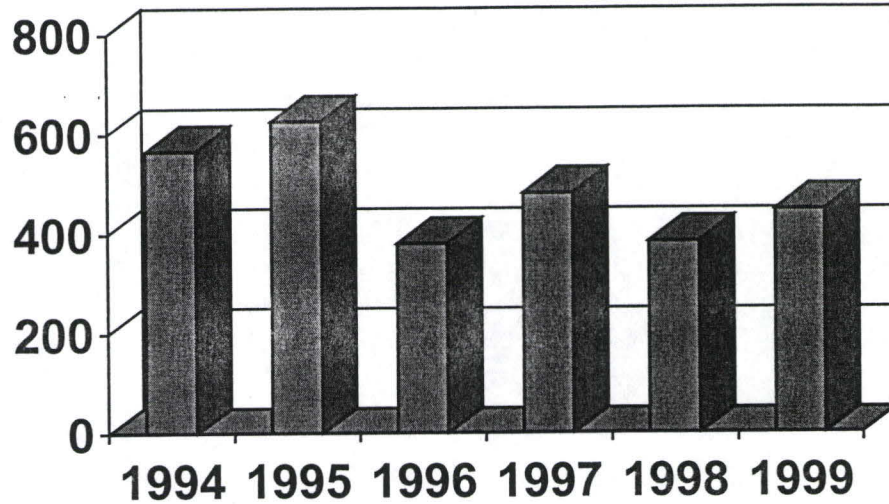
Effectiveness Measures: (FY99)



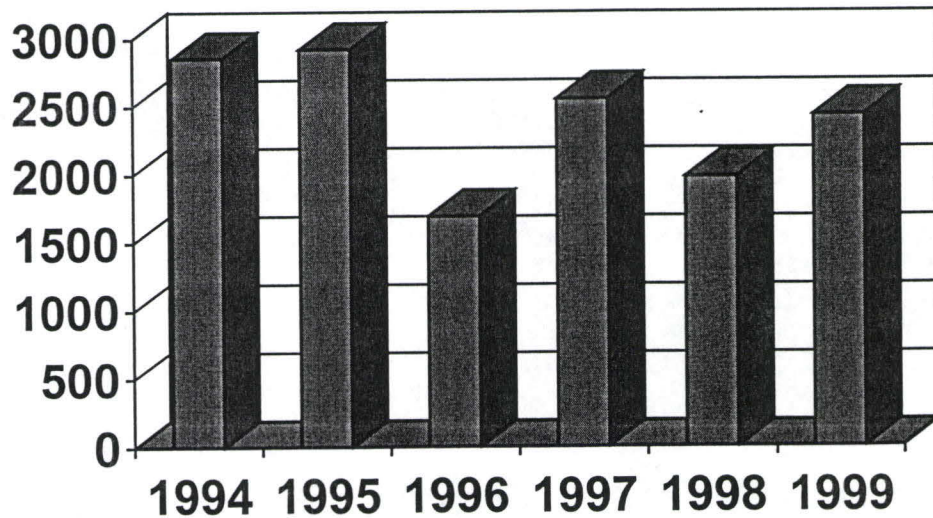
- 1,357 firms committed to new capital investment in the amount of \$5,329,758,387 (see chart above) with projected additional employment of 28,971 jobs.

Efficiency Measures: (FY99)

- \$447 of general fund revenue invested per new job announced



- \$2,433 of general fund revenue invested per million dollars of announced capital investment



- 2.6% increase in per capita income from \$20,755 (1997) to \$21,309 (1998) (most recent data) - State Ranking - 42d

The Department of Commerce reports most economic development data on a calendar year basis, as do all of our competitor states. A comprehensive annual report is issued each spring on this data. That report is available on the internet at:

http://www.callsouthcarolina.com/_private/98annualrpt.PDF

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